## State of Idaho

### DEPARTMENT OF INSURANCE

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#### **NEWS RELEASE**

## FOR IMMEDIATE RELEASE

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# Don't Fall Prey to Fake Health Plans

Department of Insurance offers pointers for consumers

BOISE ID (June 9, 2009) – The Idaho Department of Insurance wants to help consumers protect themselves from insurance scams by offering tips on selecting health insurance plans.

Department Director Bill Deal said, "We have all seen the TV commercials advertising discount health plans. As advocates for consumers, our mission is to educate Idahoans and help them make good choices where health insurance is concerned."

Some discount health plans are legitimate. When considering one of these plans, consumers should keep in mind the following warnings:

- You learn of the discount card from a blast fax or internet popup ad. This is a red flag that you are about to be scammed.
- They promise a certain percentage savings. A 30% discount means nothing unless you know what is being discounted.
- They use the term "guaranteed coverage." This term makes the card sound like insurance, which it is not.
- They won't give you a list of providers until you sign up. The discount card company should tell you the providers up front. If they do give you a list, call the providers to verify that they take the card.
- The plan sounds too good to be true. If you find something significantly cheaper than regular health insurance, be especially wary. This is a huge red flag. Things are cheaper for a reason.

The Department of Insurance urges Idahoans to contact its Consumer Affairs Office to learn if companies they are looking at are licensed insurers in Idaho. Visit the Website, www.doi.idaho.gov, or call 334-4250 in Boise, 800-721-3272 toll-free statewide.